

**QUONSET DEVELOPMENT CORPORATION**  
**MEETING OF BOARD OF DIRECTORS**

**PUBLIC SESSION**  
**MINUTES**

**March 21, 2005**

**A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, March 21, 2005 at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.**

**The following directors constituting a quorum were present and participated throughout the meeting as indicated: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Michael McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams and John G. Simpson.**

**1. CALL TO ORDER**

**The meeting was called to order at 5:00 p.m. by Chairman McMahon.**

## **2. APROVAL OF MINUTES**

**Upon motion duly made by Mr. Sams and seconded by Mr. Hazlehurst, the Board:**

**VOTED: To approve the minutes of the meeting of February 14, 2005 as submitted to the Board of Directors. Mr. Rebecchi noted that he did not attend the January 10, 2005 meeting, and therefore, did not vote on the January 10, 2005 minutes. The minutes were corrected to reflect that Mr. Rebecchi did not vote on the approval of the January 10, 2005 minutes.**

**Voting in favor were: Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.**

**Voting against were: none.**

**Approved.**

## **3. STAFF REPORTS.**

### **A. Operations.**

**Jack Sprengel, Director of Operations, reported with respect to ongoing repairs of a water line adjacent to the EB Facility.**

**Mr. Sprengel also noted that the corporation was filing the appropriate paperwork for the recovery of funds from RIEMA for costs incurred in connection with snow removal resulting from the recent blizzard.**

**Mr. Sprengel and Mr. Grout commented with respect to security issues at the port and the need to comply with Federal Homeland Security Legislation. Currently, the corporation is dependent upon the Town of North Kingstown, the Rhode Island State Police and private security firms. Mr. Grout noted that both the Town of North Kingstown and the State Police have evidenced resource availability constraints and that private firms do not consistently meet the quality standards required. Therefore, problems are encountered when unusual circumstances exist. In addition, if the MARSEC levels are increased there may be problems providing appropriate security. Based upon discussions with General Centracchio, State Coordinator of Homeland Security, legislative authority to provide Quonset Development Corporation with authority to appoint peace officers as defined under R.I.G.L. 12-7-21 for a geographic area limited to the former federal property is being considered. The cost of providing such security would be passed through to the visiting vessels through a change in the port tariff.**

**The North Kingstown Police Chief noted that in most instances the Town had been able to provide details as required by Quonset Development Corporation and certainly if a public safety issue arose,**

the Police would provide personnel to meet those needs. The Chief, however, did acknowledge that normal security details had been based upon a voluntary basis and in the event of increased MARSEC levels or unusual circumstances availability of Police Officers could be limited.

Mr. Patterson requested that the staff of the Corporation consult with the Chief of Police so that there would be no confusion as to the ability of the North Kingstown Police to provide details and the circumstances under which the constraints on staffing might occur. Mr. McMahon noted that he was hopeful that General Centracchio could also meet with the North Kingstown Chief of Police to further discuss the security issues. Ms. Jackson requested that General Centracchio be invited to a meeting of the Board to review security issues and the State's ability to provide security staff. Mr. Sams inquired as to whether any federal funds are available to support the corporation in its expenditures to meet the security requirements of the Homeland Security Act. Mr. Grout noted that while funds are available for capital expenditures, there is no funding currently available for personnel expense.

## **B. Engineering Services.**

Steve King, Director of Construction Services, reported on the

**following:**

**The Corporation has received responses in connection with an RFP for professional engineering/construction management services regarding implementation of the \$48,000,000 infrastructure improvement program. Proposals were received on February 15 and there were four responses. Maguire Group, Gilbane, Berger Group and Fuss & O'Neill submitted proposals. The five member selection committee recommended the Maguire Group and the Finance Committee at its meeting approved the Maguire Group. Ms. Jackson noted that Maguire, by accepting the contract, would be precluded from acting in a professional capacity for any third parties submitting proposals to the corporation.**

**Mr. Grout indicated that a draft of the development regulations has been completed and copies of the draft will be forwarded to members of the Board once staff has completed its review.**

### **C. Real Estate Sales/Marketing.**

**Evan Matthews, Director of Real Estate Development, reviewed the activity report dated March 14, 2005 prepared by CB Richard Ellis. Mr. Doern requested that in the future the portion of the report entitled "Tenants in the Market" reflect the square footage associated with each of the potential tenants. Gerry Lavalley of CB Richard Ellis reviewed the details of the "SWOT" (Strengths, Weaknesses,**

**Opportunities, Threats) analysis. Mr. Lavallee reviewed the strengths, weaknesses, opportunities and threats as perceived in the marketplace. Charles Francis, President of CB Richard Ellis Rhode Island, provided comments on the market overview and noted that the industrial vacancy rate is approximately 5%. He also noted that there is a need for new construction since the low vacancy rate makes it very difficult to meet needs of companies who want space right away.**

**Mr. Patterson inquired as to why Town politics is listed as a weakness as part of the SWOT analysis. Mr. Lavallee replied that the report is based upon the perception in the marketplace and past history rather than the current relationship between the Town and Quonset Development Corporation. Mr. Patterson pointed out that progress has been made in improving the governance of the Quonset Development Corporation and efforts by the Town and the Corporation to address the permitting process. Mr. Francis responded that it is difficult to obtain permits anywhere in the Northeast and that the perception in the marketplace is that it continues to be difficult at Quonset Point. Mr. Patterson also asked why residential abutters are listed as a threat. Mr. Lavallee responded that where there are residential abutters there is a potential for neighbors to object to commercial development. Mr. Patterson also questioned why “changing Town agenda” was listed as a threat. Mr. Lavallee noted that any change in the Town’s position creates uncertainty from a developer’s perspective. Mr. Patterson**

noted that from the Town's perspective, the members of the Town Council believe that the Town has been very supportive of what is happening at Quonset Point and are prepared to have representatives of the Town work to address any outstanding issues.

Mr. Doern noted that at the Strategic Planning Committee meeting there was discussion relating to a request by a member of the Town Council to amend the Economic Development Corporation legislation to subject the property at Quonset Point to the zoning and land use regulations of the Town of North Kingstown. Mr. Doern noted that this would be a concern for a developer and a change in the legislation would affect the marketability of the property. Ms. Jackson also noted that what appears in the various online services relating to the Town is that the Town has proposed the changing of zoning as it applies to the former of federal land in the Town of North Kingstown.

Mr. Patterson asked about the Corporation's position with respect to sale versus lease of property, and Mr. McMahon responded that staff is still reviewing the issues related to a sale versus a lease but currently it's his view that Quonset Development Corporation is better served by leasing the property rather than selling the property. By leasing property, the State will have the potential to realize increases in value over the long term and its control relating to the use of the property would be greater.

**Mr. Matthews reviewed the Gateway approval process. There are three finalists who will make presentations at the next Board Meeting.**

**Mr. Miccolis, Mr. Doern and Mr. Hazlehurst and members of the Design Review Committee served as members of the selection committee. The three finalists are Carpionato Properties, Cornish Associates L.P. and New Boston Development Partners LLC. Mr. Grout noted that the Board is not selecting a specific proposal but is selecting a developer. Following selection, the Corporation will work with the developer on the overall proposal and design for the Gateway.**

#### **D. Finance Report.**

**Mike Geezil, Director of Finance, provided the financial report. Mr. Geezil noted that he was in the process of preparing an RFP regarding commercial property software. He also reported that a meeting of the Finance Committee was held earlier in the day. The Committee report indicated that cash flow is adequate based on current projections through June 30, 2005 and that capital funds are adequate for non-bond expenditures through June 30, 2005. Mr. Geezil noted, however, that there was a need to expand the lease base to cover a projected shortfall of approximately \$20,000-\$30,000 per month in the next fiscal year.**



## **E. Managing Director's Report.**

**Mr. Grout reported that the Governor had visited Quonset earlier in the day for a tour of the park. He noted that the Governor had a number of suggestions and was very interested in the development of the park. Mr. Grout noted that the staff has been reviewing the feasibility of a "logistics facility" at the North Davisville waterfront which would take advantage of the soon to be enhanced road and rail system. The logistics facility would be focused on time sensitive and cost effective delivery of items that can be rolled on and off a cargo area such as autos and perishables. The facility would utilize existing pier configurations. The area designated for the logistics facility would be approximately 208 acres.**

**Mr. Grout noted that in connection with the flex park, the staff is considering the possible relocation of four tenants. Alternatives are being explored and appraisals will be completed with respect to the properties in question.**

**Mr. McMahon observed that there are a number of positive things happening which will favorably impact development at Quonset Point including changes in corporate governance, completion of Route 403, leadership being provided by the Governor, and improvements in the process, all of which will help to move the Quonset Business Park forward.**

#### **4. APPROVALS.**

##### **A. Approval of Lease with Seaview Transportation Company, Inc.**

**Karen LaChance, Director of Asset Management, reviewed the transaction approval which had been provided to members of the Board. Seaview Transportation Company, Inc. is requesting a lease of building 374 which contains approximately 51,000 square feet. The intended use of the building is for a cross dock rail transfer station with related short term storage. The lease would be for a term of 33 months at an annual base rent of \$25,500. It is anticipated that the tenant will spend approximately \$15,000 to improve the electrical service to the building.**

**Following discussion upon motion duly made by Mr. Crowley and seconded by Mr. Patterson, the Board:**

**VOTED: That the Quonset Development Corporation (the "Corporation"), acting by and through its Chairman, Vice-Chairperson, Managing Director, or Finance Director, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver a Lease and other agreements related thereto with Seaview Transportation Company, Inc. with respect to terms and conditions presented to the Board of Directors this date and substantially, in accordance with the Transaction Approval attached hereto (such lease and related**

**documents are referred to herein collectively as the "Agreement").**

**VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized ratified, confirmed and approved.**

**VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement as shall from time to time be requested of the Corporation or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all agreements, contracts, certificates, statements, leases, deeds, easements, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary,**

**desirable and appropriate and in the best interest of the Corporation.**

**VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.**

**VOTED: That the Secretary of the Corporation be, and hereby is, authorized and empowered to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.**

**Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.**

**Voting against were: none.**

**Unanimously approved.**

**B. Approval of Sale of Land to Richard C. and Terry T. Grosvenor.**

**Mr. Matthews reviewed the transaction approval which had been provided to members of the Board. The proposal is that Richard C. and Terry T. Grosvenor purchase 4.3 acres of land identified as Lot 37 on Plat 180 in West Davisville. The purchase price is \$130,000 per acre and is subject to adjustment in an amount not to exceed \$15,000 for geotechnical issues associated with the site. It was noted that the Design Review Committee has not yet signed off on the site plan and that the approval would be contingent upon the Design Review Committee approving a revised site plan. Mr. Doern questioned whether it was appropriate to sell the property. He noted this was an issue that was being addressed by the Strategic Planning Committee and questioned whether we should move forward with the sale at this point.**

**Upon motion duly made by Mr. Crowley and seconded by Mr. Hazlehurst, the Board adopted the following resolutions:**

**VOTED: That the Quonset Development Corporation (the "Corporation"), acting by and through its Chairman, Vice-Chairperson, Managing Director, or Finance Director, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver a Purchase and Sale Agreement and other agreements related thereto with Richard C. and Terry T. Grosvenor with respect to the sale of property identified as Plat 180, Lot 37 in West Davisville consisting of approximately 4.3 acres pursuant to terms and conditions presented to the Board of**

**Directors this date and substantially, in accordance with the Transaction Approval attached hereto (such purchase and sale agreement and related documents are referred to herein collectively as the "Agreement").**

**VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized ratified, confirmed and approved.**

**VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement as shall from time to time be requested of the Corporation or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all agreements, contracts, certificates, statements, deeds, easements, licenses and assignments, upon such terms and conditions and with**

**such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.**

**VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.**

**VOTED: That the Secretary of the Corporation be, and hereby is, authorized and empowered to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.**

**Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.**

**Voting against were: none.**

**Unanimously approved.**

**There being no further business to come before the Board, upon motion duly made by Mr. Doern and seconded by Mr. Hazlehurst, the meeting was adjourned at 6:30 p.m.**

**Respectfully submitted by:**

**By:**

**E. Jerome Batty, Secretary**